GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2090
ANSWERED ON:01.12.2000
RAJLAKSHMI UNIT SCHEME
DR. KIRIT SOMAIYA;KOLUR BASAVANAGOUD;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Rajlakshmi Unit Scheme-92 of Unit Trust of India was treated as closed;

(b) if so, the reasons therefor;

(c) the number of investors of the above scheme in the country, State wise;

(d) whether the Government have decided to return the amount to its investors in the above scheme alongwith interest;

(e) if so, the number of investors who have so far been paid in Karnataka;

(f) whether the Government have taken any steps to pay the amount to all the investors of the above scheme: and
(g) if so, by when?

Answer

MINISTRY OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIHE PATIL)

(a) Yes, Sir. The Rajlakshmi Unit Scheme, 1992 (RUS-92) stood terminated as of close of business hours of the Unit Trust of India (UTI) on 30th September, 2000.

(b) The scheme was launched with the objective of investing in debt and equity when the return on debt investment was anticipated at 18% to 20% per annum and return on equity was expected at 15% to 20% per annum. UTI was of the view that a return of 16.16% to 16.75% on the scheme would be feasible. However, sharp decline in domestic interest rates following globalisation of the economy and opening up of the financial sector coupled with the volatility in the equity capital market and decline in the return offered by AAA papers on account of deregulation on the interest rate regime, has made it impossible to sustain the potential return envisaged in 1992.

(c) The total number of investors under RUS-92 was 12.18 lakhs. According to UTI, State-wise data is not maintained.

(d) A letter was issued to all the investors of UTI on 20.08.2000 communicating the decision to terminate the scheme and informing them of other formalities for obtaining the repurchase proceeds cheques/option for conversion. UTI has been paying the investors in the Scheme at the same rate of 16.16% - 16.75% per annum while paying the redemption proceeds to those who have exercised their option for receiving the redemption proceeds.

(e) State-wise data is not maintained by UTI.

(f) & (g) All the investors who have exercised their option on the form sent to them in the prescribed form and manner are being paid repurchase proceeds, the redemption amount being converted into the units of the Scheme as sought by the investors. So far, 7,47,315 investors have exercised their option for redemption/conversion. Out of this, 3,80,588 investors have opted for redemption and 3,66,727 investors have opted for conversion to other schemes of UTI.

(g) UTI has already despatched 3,46,757 redemption cheques to various investors all over the country amounting to Rs. 507 crore. Depending upon the receipt of repurchase requests/conversion requests from the investors, the redemption cheques are being despatched within 10 days of receipt of the same.